

DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT STATE OF MICHIGAN

TIMBER SALE PROSPECTUS

SALE TIME, DATE AND LOCATION
3:00 p.m. on October 27, 2010
GAYLORD

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

GOOD TIME OAK II / T29N, R01W, SEC. 03, NW1/4, SW1/4, NWSE, W1/2NE.

T29N, R01W, SEC. 10, NW/NW.

OTSEGO COUNTY (Appr. \$21,677.28)

SALE ACRES: 171

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions.

Access may be through state forest land.

WARTHOG RUN / T29N, R02W, SEC. 18, SW/SE.

T29N, R02W, SEC. 19, W1/2NE, S1/2NW, N1/2SW, NE/NW.

OTSEGO COUNTY (Appr. \$14,127.00)

SALE ACRES: 97

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

Access may be through state forest land.

ERRONEOUS ASPEN / T31N, R07W, SEC. 01, SW/SE, SE/SW.

T31N, R07W, SEC. 12, NW/NE, NE/NW.

ANTRIM COUNTY (Appr. \$621.60)

SALE ACRES: 11

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

Access may be through state forest land.

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

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

- 1. <u>Bid Location</u>, <u>Date</u>, <u>and Time</u>: Bids must be received by the Unit Manager, Gaylord Management Unit, 1732 West M-32, Gaylord, MI 49735, no later than 3:00 p.m. on October 27, 2010. For further information concerning this sale, contact the Unit Manager at 989-732-3541.
- 2. Bidder's Qualifications: Purchaser shall obtain workers compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. If all or part of a timber sale was prepared by a private contractor, that contractor and that contractor's company are not permitted to bid on the timber sale contract. Bids will not be accepted from individuals or companies appearing on the DNR/FMFM No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.
- 3. <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. Submission of Sealed Bids: Bid forms may be obtained from the Unit Manager. All bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) that it is a "Bid for Timber," and (b) the sale name or number, and (c) the date and time of bid opening as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.
- 5. Public Opening of Sealed Bids: If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.
- 6. Award of Contract: Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.
- 7. <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. Performance Security: As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.
- 9. Timber Sale Contract: Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/dnr. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 1 year. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove the included timber by the termination date.

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

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

11. Certification and Chain-of-Custody: Unless otherwise indicated in the contract under section 7 - Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-S1. Forest products from this sale may be delivered to the mill as "FSC and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

REBECCA A. HUMPHRIES Director

GOOD TIME OAK II (004-10-01)

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		
RED OAK	19.50 MBF	\$ 159.00/MBF
MIX ASPEN	52.50 MBF	\$ 61.00/MBF
PULPWOOD		
RED MAPLE	499.50 CORDS	\$ 8.75/CORD
MIX ASPEN	654.00 CORDS	\$ 12.20/CORD

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

SPECIES	ESTIMATED VOLUME*	APPRAISED PRICE
SAWLOGS		
RED MAPLE	10.50 MBF	\$ 78.00/MBF
JACK PINE	1.00 MBF	\$ 42.00/MBF
PULPWOOD		
JACK PINE	11.00 CORDS	\$ 9.75/CORD
MIXED OAK	364.00 CORDS	\$ 5.65/CORD

^{*}The volumes are statistically estimated within plus (+) or minus (-) 12.31 percent. These estimated volumes are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

- 1. A bond in the amount of \$1,500.00, to insure faithful performance of the conditions of the contract, will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment may be paid in advance or according to the following schedule:
 - (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
 - (b) The 10% down payment will be credited towards the first unit cut.
 - (c) Payment for each of the following units must be made before cutting begins in that unit:

PAYMENT	UNIT	NUMBER	PERCENT	of	TOTAL	SALE	VALUE
	1				45%		
	2				10%		
	3				45%		

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on November 1, 2013.

STATE OF MICHIGAN DEPARTMENT OF NATURAL RESOURCES TIMBER SALE MAP

SALE YEAR SALE TYPE NO. 52 010 14 10 0

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A - Aspen B - Paper Birch C - Cedar E - Swamp Hdwds F - Spruce Fir G - Grass	H - Hemlock J - Jack Pine L - Lowland Brush M - Mpl, Bch, Brch N - Marsh O - Oak	P - Lowland Poplar Q - Mx Swamp Cnpr R - Red Pine S - Black Spruce T - Tamarack U - Upland Brush	V - Bog or Marsh W - White Pine X - Non Stockéd Z - Water	1 - Non Stocked 2 - Seedling Sapling Poo 3 - Seedling Sapling Wel 4 - Pole Timber Poor 5 - Pole Timber Medium 6 - Pole Timber Well	
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Sale Specific Conditions & Requirements

Sale Name: Good Time Oak Ii Sale Number: 52-004-10-01

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

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 Red Pine and White Pine.

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

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

2.1.4 - Species designation unit(s) (12/08)

Within Payment Unit(s) 1 and 3, all aspen, jack pine, and red maple trees are designated for cutting which meet minimum piece specifications in 2.2 Utilization, 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.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 1, 2, and 3 may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

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

Within the sale area, if more than 5% 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 \$100 per acre for all acreage within that specified portion of the sale area that was damaged.

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

4 - Transportation

4.1 - Construction

4.1.3 - Slash and earthen piles (8/04)

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

4.1.6 - Road construction (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. These roads must be rendered impassable to cars and trucks. 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

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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 5 days in advance to schedule the conference.

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

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

5.2 - 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 25 feet back from the blue paint line.

5.2.1.2 - Slash Removal

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

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

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

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

5.2.2 - Hazard Trees/Snags

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

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

5.2.3 - Operating Restrictions

5.2.3.4 - Oak wilt restriction (12/08)

Within Payment Unit(s) 1 and 3, 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.

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

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

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

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

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

The ORV trail is indicated on the Timber Sale Map. Do not cut trees or damage posts with orange ORV markers. Maintain a 20 foot wide slash, debris, and rut free zone daily using the ORV trail or route as the centerline. Do not run down the ORV route. Skidding across the trail or route may only occur in locations approved by the sale administrator.

5.2.41 - Snowmobile trail protection (8/09)

The snowmobile trail is indicated on the timber sale map. Do not cut or damage posts with orange trail markers or traffic control signs. If the trail is used, it must be maintained and restored to a condition equal to or better than before the sale. The road maintenance/restoration must be done prior to December 1. If the trail is used for hauling, it must be graded to the satisfaction of the Unit Manager or his/her representative prior to December 1st. If the trail road is to be used for hauling during the snowmobile season, then a snow covered base must be left on the trail. The snowmobile trail may only be crossed at right angles. Maintain a 20 foot wide slash, debris, and rut free zone daily using the snowmobile trail as the centerline. No decking of forest products will be permitted along the snowmobile trail. All stumps within 20 feet of the snowmobile trail must be cut at ground level.

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

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

5.4.2 - Skid trails (2/04)

Skid trails up and down slopes should be avoided. If however this is unavoidable, these trails will be left in a non-erodible condition using water bars, logs, and slash. Placing of slash on these skid trails while logging is ongoing may alleviate need for any further action. At the direction of the sale administrator, seed, fertilizer, and mulch may also be required.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.2 - Snowmobile trail posting (8/09)

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

6.2.3 - Recreational trail posting (2/10)

The Purchaser is responsible for posting and maintaining caution signs on the ORV Trail indicated on the map, prior to beginning operations. The trail must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic at both ends of the trail. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

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WARTHOG RUN (018-09-01)

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		
RED OAK	40.00 MBF	\$ 159.00/MBF
RED PINE	22.00 MBF	\$ 119.00/MBF
PULPWOOD		
MIX ASPEN	145.00 CORDS	\$ 16.05/CORD
MIX HARDWD	245.00 CORDS	\$ 7.70/CORD

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

SPECIES	ESTIMATED VOLUME*	APPRAISED PRICE
SAWLOGS		
RED MAPLE	6.00 MBF	\$ 68.50/MBF
WHITE OAK	2.00 MBF	\$ 46.00/MBF
PULPWOOD		
RED PINE	19.00 CORDS	\$ 22.75/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 \$750.00, 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				35%		
	2				35%		
	3				30%		

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on September 30, 2013.

DNR	This informati	on provided L	f Natural Reso TIMBER S under authority o	ALE MA	NP i, Act 451 o	f 1994, as	amended.		Sale No.	1		ale Type
	Forest Management C		Mapped By		Cruised By			ate:	29/09			
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A = Aspen B = Paper Blrch C = Cedar E = Swamp Hdwoods F = Spruce Fir G = Grass	H = Hemlock J = Jack Pine L = Lowland Brusi	P = Lo Q = M h R = Ro th S = Bl T = Ta	wiend Poplar lixed Swamp Cnfr ed Pine lack Spruce amarack pland Brush	W ≠ (og or Marsh White Pine Ion Stocked Vater	2 3 4 5	= Non Stock = Secolling = Secolling = Secolling = Pole Tim = Pole Tim = Pole Tim	Sapling Po Sapling Wi ber Poor ber Mediu	oor /eli	8 = Saw T	imber Poor Imber Medi Imber Well	um
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Sale Specific Conditions & Requirements

Sale Name: Warthog Run Sale Number: 52-018-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Do not cut painted boundary line trees unless also marked with orange paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1, 2, and 3, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. Unless the tree is marked with the word "save".

2.1.4 - Species designation unit(s) (12/08)

Within Payment Unit(s) 1, 2, and 3, all Aspen trees are designated for cutting that are 6 inches or greater at dbh.

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

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

2.2 - Utilization

2.2.1 - Utilization (2/04)

All listed board foot volumes of sawlog size products in this contract have been determined using a top diameter inside bark of 8 inches.

2.2.4 - Skidding length (2/09)

Skidding of unlimbed tops or lengths over 17 feet is not permissible.

2.2.5 - Limbed tree skidding (1/09)

The skidding of whole trees or tree segments with limbs attached is prohibited.

3 - Payments

3.3 - Pre-measured Sales

Sale Name: Warthog Run Sale Number: 52-018-09-01

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 1, 2, and 3 may be divided at the request of the purchaser and upon approval of the Unit Manager. Dividing payment units is a contract modification which requires a Timber Sale Contract Supplement.

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

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

Within the sale area, if more than 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.

4.2 - 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

Section Name: Sale Specific Page 2 of 4 Current as of 11/2/2009 9:59:39AM

Sale Name: Warthog Run Sale Number: 52-018-09-01

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 The Unit Manager or his/her representative must be contacted at least 10 days in advance to schedule the conference.

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

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

5.1.4 - Post-sale conference (2/04)

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

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.8 - Slash height (12/08)

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

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

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

5.2.2 - Hazard Trees/Snags

5.2.2.1 - Den trees (2/04)

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

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

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

5.2.3 - Operating Restrictions

5.2.3.4 - Oak wilt restriction (12/08)

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

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

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

Sale Name: Warthog Run Sale Number: 52-018-09-01

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

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

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

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

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

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

5.4.2 - Skid trails (2/04)

Skid trails up and down slopes should be avoided. If however this is unavoidable, these trails will be left in a non-erodible condition using water bars, logs, and slash. Placing of slash on these skid trails while logging is ongoing may alleviate need for any further action. At the direction of the sale administrator, seed, fertilizer, and mulch may also be required.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (1/09)

The purchaser is responsible for posting and maintaining caution signs on Lower Chub Lake Road and Viking Club Drive prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

ERRONEOUS ASPEN (021-09-01)

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*	APP	RAISED PRICE
SAWLOGS			
MIX ASPEN	6.00 MBF	\$	30.50/MBF
PULPWOOD			
MIX ASPEN	68.00 CORDS	\$	5.50/CORD

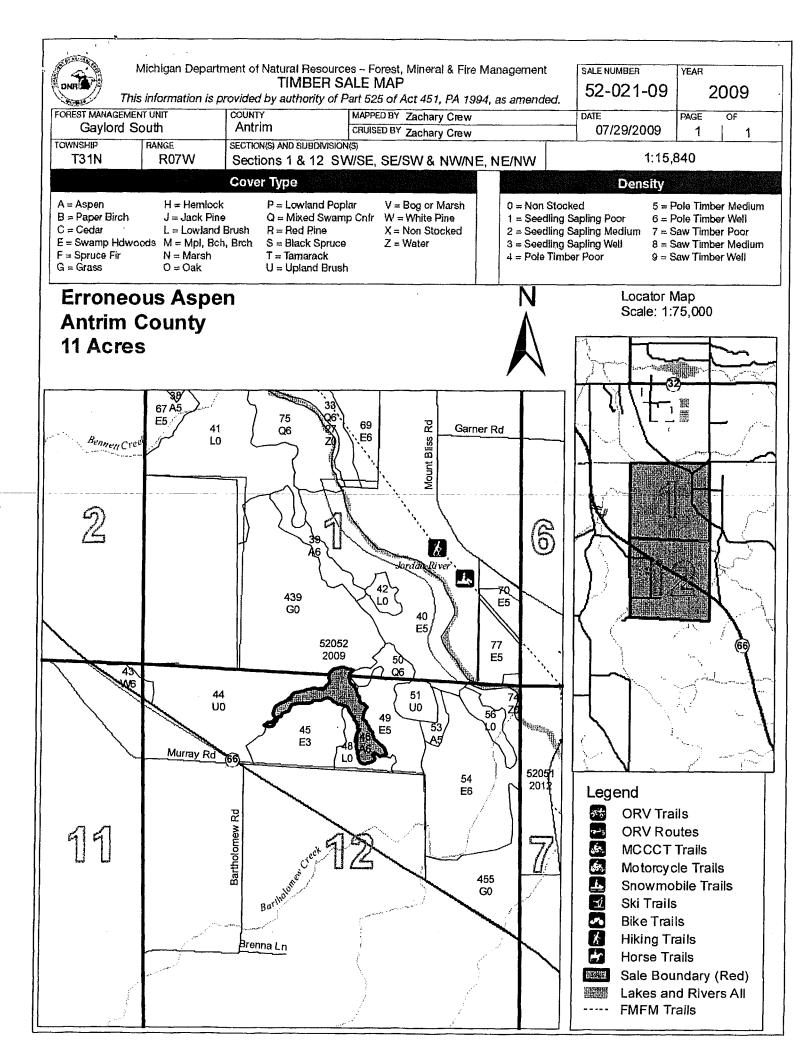
In addition, the successful bidder agrees to purchase the following species at the indicated appraised price:

SPECIES	ESTIMATED VOLUME*	APPE	RAISED PRICE
PULPWOOD			
MIX HARDWD	17.00 CORDS	\$	3.80/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 \$250.00, 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 December 31, 2012.



Sale Specific Conditions & Requirements

Sale Name: Erroneous Aspen Sale Number: 52-021-09-01

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (12/08)

The sale boundary is marked and identified by red paint. Exterior sale boundary lines against state are marked with red paint.

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1, 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.

4 - Transportation

4.1 - Construction

4.1.3 - Slash and earthen piles (8/04)

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

4.1.7 - Road closure (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. Stumps and brush must be placed along the remainder of the trail. Berms must also be placed at intervals of not over 50 feet and at all junctions. These roads must be rendered impassable to cars and trucks. All stumps from road building and landing construction must be reserved to block any newly constructed roads upon completion of the sale. These stumps must be scattered along the road system to prohibit vehicular movement. 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.

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.

Sale Name: Erroneous Aspen Sale Number: 52-021-09-01

5.1.4 - Post-sale conference (2/04)

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

5.4 - Soil Protection

5.4.1 - Rutting restriction, general (1/09)

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

5.4.6 - Wet area protection (3/09)

No harvesting operations, including skidding and felling, are to take place within the vernal pond areas or drainages. When harvesting occurs, there should be no disturbance to the vernal pond depression. All equipment, trees and tops should be kept out of this area. Within 100 feet of the pond, equipment should only be used when the soil is in a dry or frozen condition. Timber harvesting can occur in this area, but the canopy closure should not be reduced to less than 70%. Care must be taken by the purchaser to identify and avoid operating in these areas of the timber sale.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (1/09)

The purchaser is responsible for posting and maintaining caution signs on M-66 prior to beginning operations. The road must be posted at appropriate distances from the sale area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

GOOD TIME OAK II (004-10-01) T29N, R01W, SEC. 03, NW1/4, SW1/4, NWSE, W1/2NE. T29N, R01W, SEC. 10, NW/NW.

OTSEGO COUNTY

In response to the notice of sale to be held 3:00 p.m. on October 27, 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	\$ 159.00/MBF \$	X 19.50 MBF = \$
MIX ASPEN	\$ 61.00/MBF \$	X 52.50 MBF = \$
PULPWOOD		
RED MAPLE	\$ 8.75/CORD \$	X 499.50 CORDS = \$
MIX ASPEN	\$ 12.20/CORD \$	X 654.00 CORDS = \$
		SUBTOTAL 1 \$

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

SPECIES SAWLOGS	APPRAISED PRICE	ESTIMATED VOLUME*	VALUE
RED MAPLE	\$ 78.00/MBF	10.50 MBF =	\$ 819.00
JACK PINE	\$ 42.00/MBF		\$ 42.00
PULPWOOD			
JACK PINE	\$ 9.75/CORD	11.00 CORDS =	\$ 107.25
MIXED OAK	\$ 5.65/CORD	364.00 CORDS =	\$ 2,056.60
	SUBTOTAL 1 + S	SUBTOTAL 2 SUBTOTAL 2 = TOTAL BID VA	\$ <u>3,024.85</u>

*These volumes are statistically estimated within plus (+) or minus (-) 12.31%. 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	



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

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 2. You **must** check <u>one</u> 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. T 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"). Part-time Employees Full-time Employees Name of Business Federal ID (or) Social Security No. Address Telephone) City State 7IP 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

WARTHOG RUN (018-09-01) T29N, R02W, SEC. 18, SW/SE. T29N, R02W, SEC. 19, W1/2NE, S1/2NW, N1/2SW, NE/NW.

T29N, R02W, SEC. 19, W1/2NE, S1/2NW, N1/2SW, NE/NW.
OTSEGO COUNTY

In response to the notice of sale to be held 3:00 p.m. on October 27, 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.

	orms may be			•		
SPECIES	APPRAIS	SED PRICE	BID PRICE	ESTIMATED	VOLUME* =	VALUE
SAWLOGS						
RED OAK		.00/MBF	\$X	40.00 M		\$
RED PINE	\$ 119	.00/MBF	\$X	22.00 M	IBF =	ន
PULPWOOD						
MIX ASPEN	•	05/CORD	\$X	145.00 C		\$
MIX HARDWD	\$ 7.	.70/CORD	\$X	245.00 C	CORDS =	\$
				SUBTOTAL	1 \$	
In addition, the suc appraised price:	cessful bido	ler agrees	to purchase the	following	species at	the
SPECIES	APPRAISEI	PRICE	ESTIMATED	VOLUME*	VALUE	
SAWLOGS						
RED MAPLE	•	50/MBF			= \$ 411	
WHITE OAK	\$ 46.	00/MBF	2.00	MBF	= \$ 92	.00
PULPWOOD		== /====		gonn g		0.5
RED PINE	\$ 22.	75/CORD	19.00	CORDS	= \$ 432	. 25
			S	UBTOTAL 2	\$ 935	. 25
	SUBTO	AL 1 + S	UBTOTAL 2 =	TOTAL BID V	ALUE \$	
*These estimated volumned thing						
I understand that any will be the basis to must be bid or the bawarding a contract to contract based upon e	determine t id form may will be base	otal bid value otal bid value otal bid value otal value	alue. All bids d. I also under past performanc	must be si stand that e and abili	gned and all considerati	ll bid item ion and
(bidder's)	printed name		(bidder's s	ignature)		
Address/Telephone						

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



Title

Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY **COMPENSATION ACT COMPLIANCE**

Sale Number (XX – XXX – XX – XX) Forest Management Unit:

FOR DEPARTMENT USE ONLY

	VERIFICATION OF WORK	ER'S DISABII	LITY COMPENSATIO	N ACT COMPLIANCE		
This verification must be completed and submitted within 21 days of contract award and prior to the issuance sale contract.				rard and prior to the issuance of the timber		
•	n addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 2′ ays of the contract award and prior to the issuance of the timber sale contract.					
All Information must be typed or printed except for written signatures.						
Ple	ease Check Appropriate Categories:					
1.	My business is organized as (you must chees A. ☐ Sole Proprietorship (individual) B. ☐ Partnership C. ☐ Corporation	ck <u>one</u> of the	boxes below):			
2.	You must check <u>one</u> of the boxes below:					
	A. \(\subseteq\) I certify that my business is a sole prop Worker's Compensation Laws.					
	B. I certify that my business has satisfied Notice of Exclusion (BWC-337, Rev. 5/9 award. (For questions or a copy of the E	96). I will provi	ide a copy of the Notice	e of Exclusion within 21 days of the contract		
	C. I certify that my business has a Worker days of the contract award.	s Compensatio	n Policy. I will provide	an original Certificate of Insurance within 21		
3.	If you have checked item 2(A) or 2(B), you than yourself, including family members and	must indicate d active partne	the number of both fers (if none, you must	ull-time and part-time employees, other enter "0").		
	E. O. Comp. Francis			Dort time Employees		
	Full-time Emplo	yees		Part-time Employees		
Nam	Full-time Emplo	oyees	Federal ID (or) Social Se			
		oyees	Federal ID (or) Social Se			
	ne of Business					
Addı City	ne of Business	te	Telephone () ZIP	ecurity No.		

Date

ERRONEOUS ASPEN (021-09-01) T31N, R07W, SEC. 01, SW/SE, SE/SW. T31N, R07W, SEC. 12, NW/NE, NE/NW. ANTRIM COUNTY

In response to the notice of sale to be held 3:00 p.m. on October 27, 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 PE	RICE BID PRIC	CE ESTIMA	TED VOLUME* =	= VALUE
SAWLOGS	•				
MIX ASPEN	\$ 30.50/ME	3F \$	x 6.0	0 MBF =	= \$
PULPWOOD					
MIX ASPEN	\$ 5.50/CC	ORD \$	X 68.0	0 CORDS =	= \$
			SUBTOTA	AL 1 \$	
In addition, the succappraised price:	cessful bidder ag	grees to purchase	e the following	ng species at	t the
SPECIES PULPWOOD	APPRAISED PRIC	CE ESTIN	MATED VOLUME*	VALUE	
MIX HARDWD	\$ 3.80/CC	ORD :	17.00 CORDS	= \$ 64	1.60
			SUBTOTAL :	2 \$ 64	1.60
	SUBTOTAL 1	+ SUBTOTAL 2	= TOTAL BII	D VALUE \$	
*These estimated voluurged to examine this		-	-	_	
I understand that any will be the basis to must be bid or the biawarding a contract voontract based upon e	determine total id form may be re will be based upo	bid value. All ejected. I also u on my past perfor	bids must be understand that mance and ab	signed and a at considerat	all bid items
(bidder's p	orinted name)	(bidder	r's signature)	1	
Address/Telephone					

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



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

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract. In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract. All Information must be typed or printed except for written signatures. Please Check Appropriate Categories: 1. My business is organized as (you **must** check one of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation 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. T 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) 7IP City State 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