

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #4697

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on September 26, 2012. 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:

BIR-PEN RED HILLS (12-008-12-01) / T44N, R28W, SEC. 04, SE1/4,SW1/4,SWNW.

T44N, R28W, SEC. 05, NE1/4,NW1/4,N1/2SE.

T44N, R28W, SEC. 05, SESE.

T44N, R28W, SEC. 10, W1/2NW.

Dickinson County, Advertised Price \$173,356.10, 219.0 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 state forest land.

<u>LITTLE BULL</u> (12-052-12-01) / T42N, R31W, SEC. 19, NWSE,NWSW,SWNW.

Iron County, Advertised Price \$25,731.75, 38.0 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.

JESSIES MEMORY (12-054-12-01) / T43N, R33W, SEC. 12, NWNE; SWNW.

Iron County, Advertised Price \$9,037.55, 31.0 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 state forest land.

BID INSTRUCTIONS (VER. 02/13/2012):

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 3:00 p.m. (local time) on September 26, 2012. For further information concerning this sale, contact Eric Thompson at 906-786-2354 extension 142.

2. Bidder's Qualifications (2/12)

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/FRD 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 (6/11)

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) the sale name or number and (b) 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 (10/11)

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 Pure 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.

KEITH CREAGH Director

TIMBER SALE INFORMATION

BIR-PEN RED HILLS (12-008-12-01)

T44N, R28W, SEC. 04; T44N, R28W, SEC. 05; T44N, R28W, SEC. 10.

Dickinson County (Advertised Price \$173,356.10)

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 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 UNITS*	<u>AD\</u>	ERTISED PRICE
Sawlogs			
Red Pine	89.70 MBF	\$	135.00 / MBF
Pulpwood			
Mixed Aspen	2,394.00 Cords	\$	30.00 / Cord
Mixed Hardwood	1,610.00 Cords	\$	22.00 / Cord
Mixed Softwood	1,090.00 Cords	\$	25.00 / Cord
Paper Birch	682.00 Cords	\$	23.00 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$11,070.60:

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>AD\</u>	<u>/ERTISED PRICE</u>
Sawlogs			
Mixed Hardwood	17.10 MBF	\$	135.00 / MBF
Paper Birch	27.70 MBF	\$	73.00 / MBF
Pulpwood			
Basswood	112.00 Cords	\$	5.00 / Cord
Red Pine	206.00 Cords	\$	30.00 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 8.75 percent. The estimated units 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 **\$9,000.00** to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment 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	18%
02	17%
03	12%
04	9%
05	3%
06	13%
07	16%
08	12%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/31/2015.

Sale Specific Conditions & Requirements

Sale Name: Bir-pen Red Hills Sale Number: 12-008-12-01

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. South side of Unit 5 is the trail indicated on the map; it does NOT have 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

2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1-7, cut all trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability except oak, pine, cedar, hemlock and green painted birch trees. Green-painted birch trees are only located in Units 3, 4 and 5.

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

Within Payment Unit(s) 8, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition, cut all aspen, jack pine, maple, birch, ironwood, balsam fir and spruce 2" dbh and greater. NO oak or unmarked pine are to be cut.

2.2 - Utilization

2.2.8 - Utilization and removal (2/11)

All piles of wood chips and decks of round wood must be removed from the sale area within 60 days of the expiration of this sale.

2.2.11 - Chipping restriction (2/11)

If chipping occurs on this sale, then no woody debris present on the ground at the start of the sale may be chipped. Chip landings must be approved by sale administrator.

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

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

4 - Transportation

4.1 - Construction

4.1.4 - 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)

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 5 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 (10/11)

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

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 spring breakup or 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.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference 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 5 days in advance to schedule the conference.

If purchaser leaves the sale, sale administrator must be notified when cutting/skidding crew returns.

5.1.4 - Post-sale conference (6/11)

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.

5.2.1.14 - 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. This applies to Unit 8.

All chip landings must be pre-approved by sale administrator if wood chips will be chipped/stored on ground. Residue from chip operations will be handled at sale administrator's discretion.

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 (9/11)

Within Payment Unit(s) 1-8, unless changed by written agreement, hauling will not be permitted on the snowmobile trail during the snowmobile season, generally December 1 to March 31. This restriction is to protect the snowmobile trail and

reduce snowmobile/log truck interface.

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 8, cutting and skidding are not permitted during the period of April 1 to July 15. This restriction is because of bark slippage.

5.2.3.6 - Bark beetle restriction (12/08)

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

5.2.32 - Decking/landing restoration (9/11)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to ensure 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 (9/11)

The southern half of Schwartz Creek Road is a snowmobile trail (less than 1/2 mile south of Unit 8) and is shown on page 2 of the Timber Sale Map. Do not cut or damage posts with orange trail markers or traffic control signs. The trail/road 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. Wood may be hauled north through Marquette County via Flat Rock Road during this time period, barring county road restrictions. Specs 4.2.1, 4.2.5 and 5.4.1 will also be enforced.

No decking of forest products will be permitted along Schwartz Creek Road without permission of the Dickinson County Road Commission. All stumps within 10 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.

Section Name: Sale Specific Current as of 6/18/2012 12:03:41PM



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

12-008-012-01

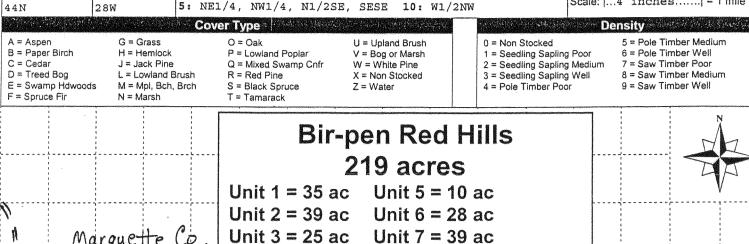
Year 2012

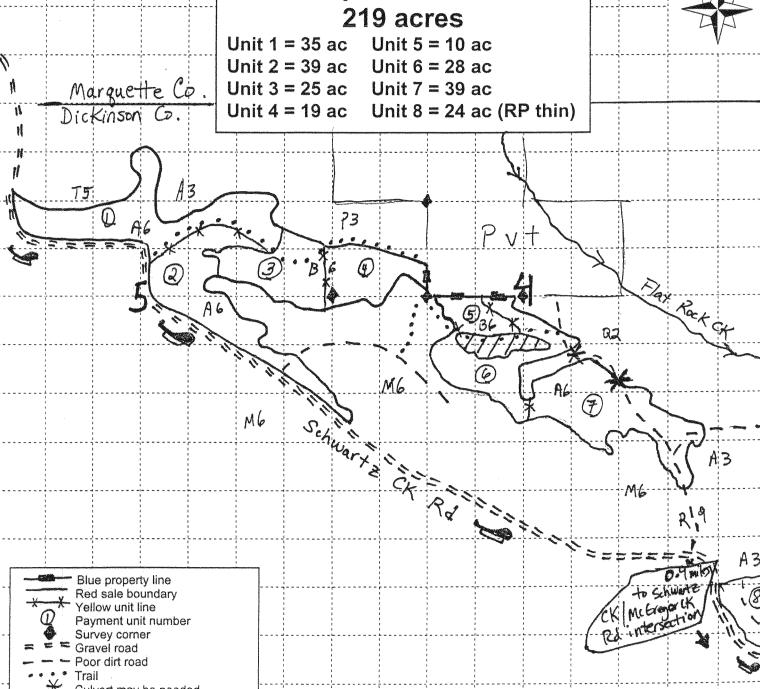
Forest Management Unit County Page Date of Mapped By Debbie Goupell Crystal Falls Mgmt Unit 11-16-11 Dickinson 1 Cruised By Goupell & Church

Township Range 28W

Section(s) and Subdivision(s) 4: SE1/4, SW1/4, SWNW, 5: NE1/4, NW1/4, N1/2SE, SESE 10: W1/2NW

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





ONR DO

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

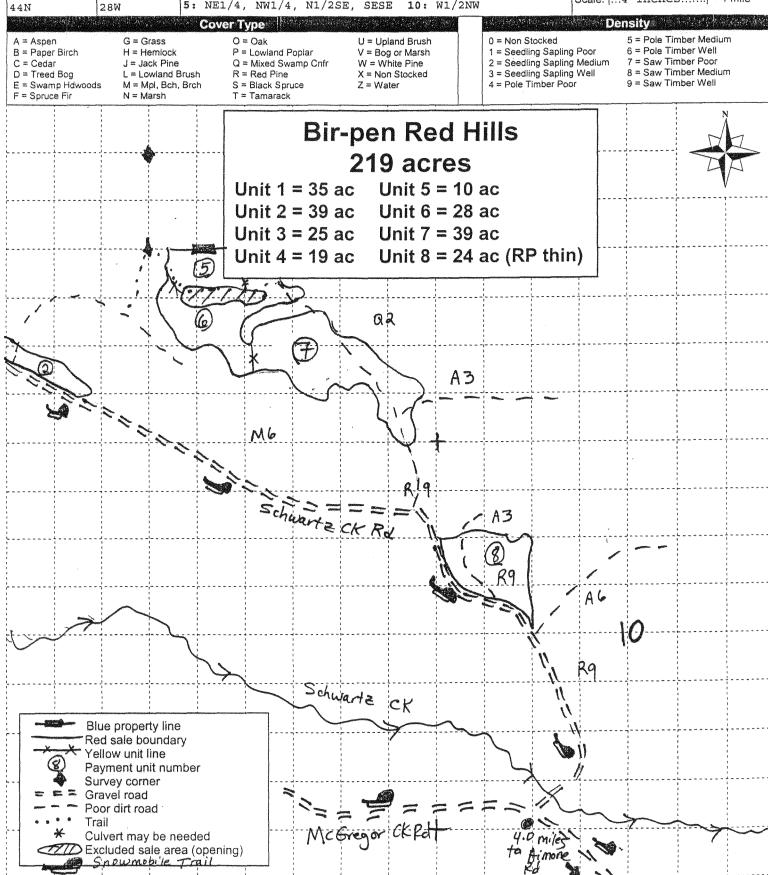
12-008-012-01

Year 2012

Forest Management Unit County Mapped By Debbie Goupell Date Page of Crystal Falls Mgmt Unit Dickinson Cruised By Goupell & Church 11-16-11 2 2

Township Range Section(s) and Subdivision(s) 4: SE1/4, SW1/4, SWNW, 44N 5: NE1/4, NW1/4, N1/2SE, SESE 10: W1/2NW

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



TIMBER SALE INFORMATION

LITTLE BULL (12-052-12-01)

T42N, R31W, SEC. 19.

Iron County (Advertised Price \$25,731.75)

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 UNITS*	<u>ADV</u>	ERTISED PRICE
Pulpwood			
Mixed Aspen	443.00 Cords	\$	33.00 / Cord
Mixed Hardwood	131.00 Cords	\$	29.05 / Cord
Mixed Softwood	103.00 Cords	\$	33.15 / Cord
Red Pine	115.00 Cords	\$	33.85 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 13.19 percent. The estimated units 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 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	39%
02	43%
03	18%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2014.

Sale Specific Conditions & Requirements

Sale Name: Little Bull Sale Number: 12-052-12-01

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 boundaries are marked with red paint. Do not cut painted boundary line trees untill payment units on both sides have been paid for.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1 and 2, 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, except oak. In addition to aspen and hardwood, cut all spruce and balsam with a stump diameter of 6" or more. No red and white pine, oak, cedar or hemlock are to be cut.

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

Within Payment Unit(s) 3, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition to trees marked with orange paint, cut all aspen, maple, spruce and balsam with a stump diameter of 6" or more.

2.2 - Utilization

2.2.8 - Utilization and removal (2/11)

All piles of wood chips and decks of round wood must be removed from the sale area within 60 days of the expiration of this sale.

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.

4.2 - 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 (3/11)

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.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. The Unit Manager or his/her representative must be contacted at least 10 days in advance to schedule the conference.

5.1.4 - Post-sale conference (6/11)

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

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.1 - Slash within sale area (2/04)

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

5.2.1.8 - Slash height (12/08)

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

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

5.2.3.3 - Bark slippage restriction (3/09)

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

5.2.3.6 - Bark beetle restriction (12/08)

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

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

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

5.4 - 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 6/7/2012 2:49:53PM



Michigan Department of Natural Resources - Forest Management TIMBER SALE MAP

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

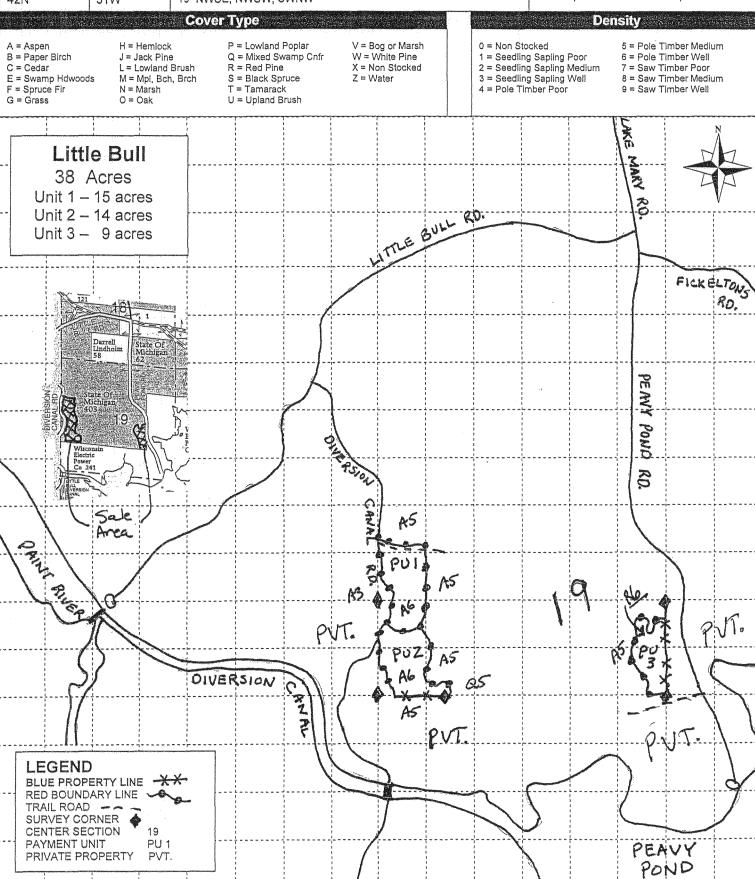
SALE NUMBER 120521201

YEAR 2012

FOREST MANAGEMENT UNIT: COUNTY MAPPED BY SCOTT SEBERO DATE PAGE OF CRYSTAL FALLS IRON CRUISED BY SCOTT SEBERO 11/09/2011 1 1

TOWNSHIP RANGE SECTION(S) AND SUBDIVISION(S)
42N 31W 19 NWSE, NWSW, SWNW

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



TIMBER SALE INFORMATION

JESSIES MEMORY (12-054-12-01)

T43N, R33W, SEC. 12.

Iron County (Advertised Price \$9,037.55)

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 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 UNITS*	<u>ADVI</u>	ERTISED PRICE
Pulpwood			
Mixed Hardwood	35.00 Cords	\$	25.15 / Cord
Mixed Softwood	197.00 Cords	\$	28.10 / Cord
Q. Aspen	113.00 Cords	\$	23.20 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 14.19 percent. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

- 1. A bond in the amount of \$500.00 to insure faithful performance of the conditions of the contract will be deposited by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment 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 02 50% 50%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 06/30/2013.

Sale Specific Conditions & Requirements

Sale Name: Jessies Memory Sale Number: 12-054-12-01

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.

2 - Timber Specifications

2.1 - Included Timber

2.1.1 - Clearcut unit(s) with unmerchantable trees (8/11)

Within Payment Unit(s) 1 & 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 and white pine, hemlock, cedar, cherry, oak and elm if present.

2.2 - Utilization

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area Payment Unit(s) 1 & 2 shall not exceed 12 inches for trees greater than 10 inches DBH and 4 inches for trees smaller than 10 inches DBH.

2.2.11 - Chipping restriction (2/11)

If chipping occurs on this sale, then no woody debris present on the ground at the start of the sale may be chipped.

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.

4 - Transportation

4.1 - Construction

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)

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 (10/11)

All new roads built into the sale must be blocked to vehicle traffic upon completion of the sale. In general, this will require constructing double earthen berms at strategic locations. In general, this will require constructing a four (4') foot high berm of stumps and logs covered with earth. Temporary berms may be required if no sale activity occurs for 30 or more consecutive days.

4.1.8 - Road work (1) (8/07)

The Sheltrow road has many homes along the way to this sale and special care to drive slowly and carefully is required for hauling.

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 spring breakup or may occur during wet weather conditions.

4.2.5 - Two wheel drive condition (2/04)

All existing trail roads on and adjacent to the sale area must be passable by two-wheel drive traffic for the duration of the sale.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/11)

A pre-sale conference between the Purchaser and sale administrator is required prior to beginning any operations to determine landing and road locations. A telephone meeting may be held if it will work out.

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.

5.2.1.14 - 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 (9/11)

Within Payment Unit(s) 1 and 2, unless changed by written agreement, cutting, skidding, and hauling are not permitted during the period of March 15 to May 15. This restriction is due to the occurrence of spring breakup.

5.2.3.4 - Oak wilt restriction (6/10)

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

5.2.32 - Decking/landing restoration (9/11)

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

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

made, if necessary.	



Michigan Department of Natural Resources - Forest Management

TIMBER SALE MAP

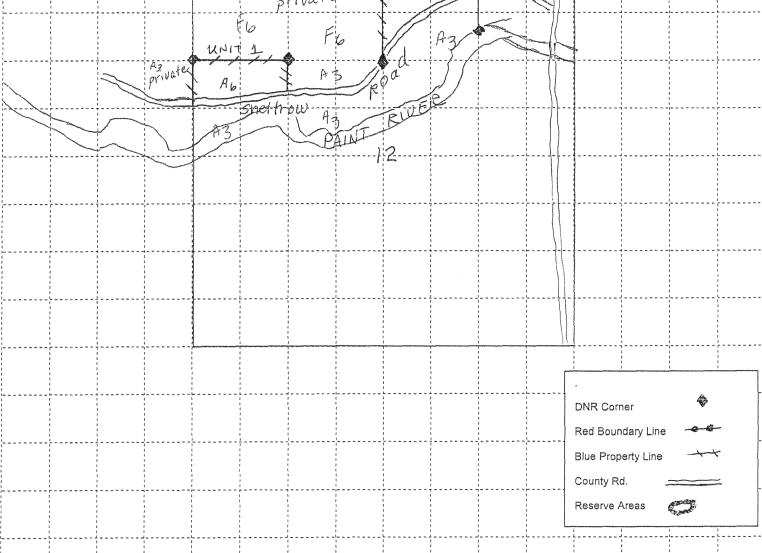
This information provided by authority of Part 525 of Act 451, PA 1994, as amended.

SALE NUMBER 120541201

YEAR

FOREST MANAGEMENT UNIT: COUNTY MAPPED BY Linda Lindberg DATE PAGE OF Crystal Falls CRUISED BY Linda Lindberg 12/13/2011 1 1

TOWNSHIP SECTION(S) AND SUBDIVISION(S) Range Scale: |.....4 inches......| = 1 mile 12 NWNE, SWNW 43N 33W Cover Type Density V = Bog or Marsh A = Aspen H = Hemlock P = Lowland Poplar 0 = Non Stocked 5 = Pole Timber Medium W = White Pine B = Paper Birch J = Jack Pine Q = Mixed Swamp Cnfr 1 = Seedling Sapling Poor 6 = Pole Timber Well 2 = Seedling Sapling Medium C = Cedar L = Lowland Brush R = Red Pine X = Non Stocked 7 = Saw Timber Poor E = Swamp Hdwoods M = Mpl, Bch, Brch 3 = Seedling Sapling Well S = Black Spruce Z = Water 8 = Saw Timber Medium 4 = Pole Timber Poor F = Spruce Fir N = Marsh T = Tamarack 9 = Saw Timber Well G = Grass U = Upland Brush O = OakJessie's Memory Sale Unit 1 Highway Total 31 Acres 15 Acres 16 Acres Lake Clearcut LNITZ private UNIT private



EEDEDAI ID:

BID FORM

BIR-PEN RED HILLS (12-008-12-01)

T44N, R28W, SEC. 04; T44N, R28W, SEC. 05; T44N, R28W, SEC. 10, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on September 26, 2012, 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	ESTIMATE	D UNITS*	AD\	VERTISED PRICE	BID P	RICE
Sawlogs						
Red Pine	89.70	MBF	\$	135.00 / MBF	\$	/ MBF
Pulpwood						
Mixed Aspen	2,394.00	Cords	\$	30.00 / Cord	\$	/ Cord
Mixed Hardwood	1,610.00	Cords	\$	22.00 / Cord	\$	/ Cord
Mixed Softwood	1,090.00	Cords	\$	25.00 / Cord	\$	/ Cord
Paper Birch	682.00	Cords	\$	23.00 / Cord	\$	/ Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$11,070.60:

PRODUCTS & SPECIES	ESTIMATED UNITS*		ADVERTISED PRICE	
Sawlogs	-	·		
Mixed Hardwood	17.10 MBF	\$	135.00 / MBF	
Paper Birch	27.70 MBF	\$	73.00 / MBF	
Pulpwood				
Basswood	112.00 Cords	\$	5.00 / Cord	
Red Pine	206.00 Cords	\$	30.00 / Cord	

^{*} The total volume is statistically estimated within plus (+) or minus (-) 8.75 percent. The estimated units 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.

or SOCIAL SECUDITY NUMBER:

	I LDLIVAL ID	01 000176 060	DICITI NOMBLIC	
	Company or individual bidding:			
	Company representative's name:			
	Address:			
	City:		Zip:	
F AVAIL	ABLE, PLEASE PLACE THE PERSO	NALIZED LABEL FROM	/ YOUR PROSPECTUS IN	THE ABOVE BOX.
ndividual or company representative's signature: Date:				
Phone nu	ımber :	Email (optional):	



Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

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

FOR DEPARTMENT USE ONLY		
Sale Number (XX – XXX – XX – XX)		
Forest Management Unit:	2	

•	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 sign	natures.			
Ple	ease Check Appropriate Categories:				
1.	My business is organized as (you must check <u>one</u> of the both A. ☐ Sole Proprietorship (individual) B. ☐ Partnership C. ☐ Corporation	oxes below):			
2.	You must check one of the boxes below:				
	 A. I certify that my business is a sole proprietorship and it has Worker's Compensation Laws. 	as no employees but the sole proprietor. I am not subject to the			
		the Worker's Compensation Act through the use of an approved a copy of the Notice of Exclusion within 21 days of the contract call the Worker's Compensation Bureau at 517-322-1195).			
	C. I certify that my business has a Worker's Compensation F days of the contract award.	Policy. I will provide an original Certificate of Insurance within 21			
3.	If you have checked item 2(A) or 2(B), you must indicate th than yourself, including family members and active partners				
	Full-time Employees	Part-time Employees			
Nam	me of Business	Federal ID (or) Social Security No.			
Addr	dress (elephone)			
City	y State Z	IP			
I he	ereby certify that the above information is true and correct. I	agree to notify the Michigan DNRE of any changes that			

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

Date

occur in factors affecting my coverage during any of my present and future operations.

Signature of Owner or Authorized Representative

Title

CRYSTAL FALLS MANAGEMENT UNIT CRYSTAL FALLS OFFICE

<u>LITTLE BULL (12-052-12-01)</u> T42N, R31W, SEC. 19, Iron County

In response to the notice of sale to be held 3:00 p.m. (local time) on September 26, 2012, 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 UNITS*	ADVERTISED PRICE	BID PRICE
Pulpwood			· · · · · · · · · · · · · · · · · · ·
Mixed Aspen	443.00 Cords	\$ 33.00 / Cord	\$ / Cord
Mixed Hardwood	131.00 Cords	\$ 29.05 / Cord	\$ / Cord
Mixed Softwood	103.00 Cords	\$ 33.15 / Cord	\$ / Cord
Red Pine	115.00 Cords	\$ 33.85 / Cord	\$ / Cord

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:						
	Company or individual bidding:						
	Company representative's name:						
	Address:						
	City:	State:	_ Zip:				
F AVAIL	F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.						
ndividual	ndividual or company representative's signature: Date:						
		Phone number : Email (optional):					

^{*} The total volume is statistically estimated within plus (+) or minus (-) 13.19 percent. The estimated units 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.



Title

Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

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

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

	VERIFICATION OF WO	RKER'S DISABIL	ITY CO	MPE	PENSATION 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 e	except for written s	ignature	S .		
Ple	ease Check Appropriate Categories:					
1.	 My business is organized as (you must check <u>one</u> of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation 					
2.	 You must check one of the boxes below: A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws. 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.	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 Em					Part-time Employees	
Nam	ne of Business		Federal ID (or) Social Security No.			
Address			Telephor	ne)		
City State			ZIP			
occ	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					

Date

CRYSTAL FALLS OFFICE

BID FORM

JESSIES MEMORY (12-054-12-01) T43N, R33W, SEC. 12, Iron County

In response to the notice of sale to be held 3:00 p.m. (local time) on September 26, 2012, 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	ESTIMATE	<u> UNITS*</u>	<u>ADV</u>	<u>'ERTISED PRICE</u>	<u>BID P</u>	RICE	
Pulpwood							
Mixed Hardwood	35.00	Cords	\$	25.15 / Cord	\$	/ Cord	
Mixed Softwood	197.00	Cords	\$	28.10 / Cord	\$	/ Cord	
Q. Aspen	113.00	Cords	\$	23.20 / Cord	\$	/ Cord	
The total volume is statistically e	•	. ,				and not subject to adju	ıstment.

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:						
	Company representative's name:						
	Address:						
	City:	State:	Zip:				
F AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.							
ndividual	dividual or company representative's signature: Date:						
Phone nu	hone number : Email (optional):						



Title

Michigan Department of Natural Resources & Environment Forest Management Division

TIMBER SALE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

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

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

	VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE					
•	This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.					
•	In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.					
•	All Information must be typed or printed e	xcept for written si	gnatures.			
Ple	ase Check Appropriate Categories:					
1.	 My business is organized as (you must check one of the boxes below): A. Sole Proprietorship (individual) B. Partnership C. Corporation 					
2.	 You must check one of the boxes below: A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws. B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195). C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award. 					
0.	 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			
000	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					

Date