

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN

TIMBER SALE PROSPECTUS #4767

SCHEDULED SALE DATE AND TIME: 3:00 p.m. (local time) on November 7, 2012. LOCATION: CRYSTAL FALLS MGT UNIT, 1420 US-2 WEST, CRYSTAL FALLS, MI 49920.

PROSPECTUS NOTE: Move Your Caboose Spruce and Winter Spruce Salvage stands have spruce budworm and should be harvested soon. Move Your Caboose Spruce has a number of units in which tops MUST be chipped; Winter Spruce Salvage requires ALL units to have tops chipped.

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:

SUNRISE SCREE (12-007-12-01) / T40N, R30W, SEC. 01, W1/2SW.

T40N, R30W, SEC. 02, E1/2SE.

Dickinson County, Advertised Price \$24,310.00, 43.0 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.

MOVE YOUR CABOOSE SPRUCE (12-009-12-01) / T43N, R28W, SEC. 18, NW1/4,NWNE,N1/2SW.

T43N, R28W, SEC. 19, S1/2NE, NENE.

Dickinson County, Advertised Price \$70,468.00, 87.0 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 or state forest land.

WINTER SPRUCE SALVAGE (12-012-12-01) / T44N, R28W, SEC. 27, W1/2.

T44N, R28W, SEC. 28, NE1/4, SENW, S1/2SE.

T44N, R28W, SEC. 34, NWNW.

Dickinson County, Advertised Price \$103,200.00, 138.0 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 November 7, 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

SUNRISE SCREE (12-007-12-01)

T40N, R30W, SEC. 01; T40N, R30W, SEC. 02.

Dickinson County (Advertised Price \$24,310.00)

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*	ADVERTISED PRICE		
Pulpwood				
Mixed Aspen	750.00 Cords	\$	25.00 / Cord	
Mixed Hardwood	278.00 Cords	\$	20.00 / Cord	

^{*} The total volume is statistically estimated within plus (+) or minus (-) 14.65 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 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 12/31/2014.

Sale Specific Conditions & Requirements

Sale Name: Sunrise Scree Sale Number: 12-007-12-01

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. Do not cut painted boundary line trees.

2 - Timber Specifications

2.1 - Included Timber

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

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 EXCEPT Cedar, Hemlock, Pine, and Oak.Special protection trees identified in accordance with condition 3.4.2, within clearcutting unit boundaries, are not Included Timber and are to be protected.

2.1.11 - Description of timber note (2/04)

Note that Mixed Aspen includes quaking, big tooth. Mixed Hardwood includes Maple, Birch, Ironwood, Ash, Elm, Basswood, Cherry and BAM.

2.2 - Utilization

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.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

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

3.4 - Damaged Timber

3.4.2 - Special Protection Trees (8/11)

The Purchaser shall not cut live or dead special protection trees within cutting units or clearings. Special protection trees are Cedar, Hemlock, Pine, and Oak. The Purchaser shall protect special protection trees from damage by the Purchaser's operations. If the Purchaser's operations have cut or damaged special protection trees through carelessness, the Purchaser shall pay \$30.00 as fixed, agreed and liquidated damages for each special protection tree cut or damaged. Such payment does not constitute ownership of the undesignated timber.

4 - Transportation

4.1 - Construction

4.1.6 - Road construction (1/09)

Construction of new roads or improvements of existing roads shall be done in such a way as to minimize the environmental and visual impacts. Merchantable trees shall be cut and utilized unless otherwise directed. Non-merchantable trees shall be severed and laid flat on the ground. Slash shall be scattered, and not left in windrows and kept a minimum of 10 feet back from the road edge. Stumps shall be set upright, not left on edge, and be moved at least 10 feet away from the road edge. Disturbed soil shall be feathered into the woods and not left in berms or windrows.

4.2 - Maintenance

4.2.4 - Grading (12/08)

Roads must be graded after the sale is completed. In general, this will require a road grader or bull dozer to shape up the roads after forest products have been hauled off site. The grading equipment to be used must be approved by the Unit Manager or his/her representative.

4.4 - Access

4.4.1 - Private property access (3/11)

Permission for access across private land is the responsibility of the purchaser.

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.

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

5.2.1.8 - Slash height (12/08)

No slash may exceed 24 inches in height. IN ADDITION, hauling of slash must be complete before sprouting occurs.

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.

5.4 - Soil Protection

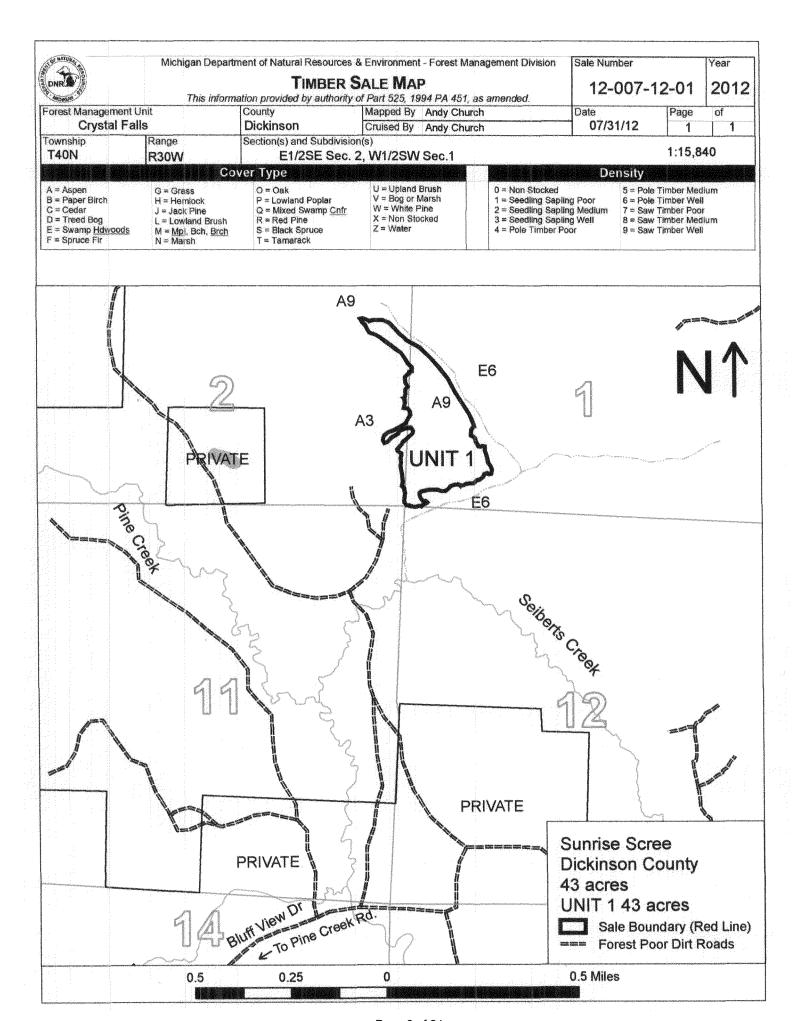
5.4.1 - Rutting restriction, general (1/09)

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.

5.4.3 - Erosion control (12/08)

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

Section Name: Sale Specific Current as of 7/27/2012 11:14:23AM



TIMBER SALE INFORMATION

MOVE YOUR CABOOSE SPRUCE (12-009-12-01)

T43N, R28W, SEC. 18; T43N, R28W, SEC. 19.

Dickinson County (Advertised Price \$70,468.00)

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 or state forest land.

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

PRODUCTS & SPECIES	ESTIMATED UNITS*	<u>ADV</u>	ERTISED PRICE
Sawlogs Red Pine	65.60 MBF	\$	130.00 / MBF
Pulpwood Mixed Aspen	419.00 Cords	\$	30.00 / Cord
Red Pine	327.00 Cords	\$	35.00 / Cord
W. Spruce	1,347.00 Cords	\$	25.00 / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$4,250.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	ADV	ERTISED PRICE
Pulpwood			
Mixed Hardwood	66.00 Cords	\$	25.00 / Cord
Mixed Softwood	104.00 Cords	\$	25.00 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 13.90 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 **\$4,000.00** 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	19%
02	56%
03	6%
04	11%
05	8%

- 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: Move Your Caboose Spruce Sale Number: 12-009-12-01

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. 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 (8/11)

Within Payment Unit(s) 2, 3, and 5, cut all trees that are two (2) inches or more in diameter measured at a point four and one-half (4-1/2) feet above ground level regardless of merchantability EXCEPT white pine and cedar.

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

Within Payment Unit(s) 1 & 4, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability. In addition, cut all other trees 2" dbh and greater EXCEPT cedar, white pine, and UNMARKED red pine.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

Payment Units 2 & 3 must be chip harvested to facilitate subsequent planting operations. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. Do not chip 1/6 to 1/3 of the slash from harvested trees (tree tops and limbs less than four inches in diameter) in Units 1, 4, 5. Within Units 2 & 3 ONLY, the requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2). This is due to future silvicultural treatments.

2.2.3 - Stump heights (4/07)

Stump heights within Payment Units 2 & 3 shall not exceed 6 inches for all trees. This is in order to facilitate planting operations. A written waiver of this requirement may be obtained if wet summer weather makes winter logging necessary.

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 1/4 Inch Log Rule.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

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

3.4 - Damaged Timber

3.4.1 - Damaged timber (6/05)

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

No damage is acceptable to merchantable trees. Within the sale area, if more than 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 5 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. 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. 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.

4.3 - Public Right-of-Way

4.3.2 - County R-O-W (12/06)

The county must be contacted prior to decking along the county road R-O-W.

4.4 - Access

4.4.1 - Private property access (3/11)

Permission for access across private land is the responsibility of the purchaser. Escanaba & Lake Superior RR will need to be contacted to cross their railroad tracks for access to Units 1c & 5. They also own the property southeast of Unit 5, if access is desired through the grass opening. Sale administrator has E & LS contact name and number, if needed. Any required permits from the railroad will be the responsibility of the purchaser.

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 3 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 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. See related spec 3.4.1 - Damaged Timber. THIS PERTAINS SPECIFICALLY TO UNITS 1 & 4. Chip pile landings must be approved prior to chip operations.

5.2.3 - Operating Restrictions

5.2.3.3 - Bark slippage restriction (3/09)

Within Payment Unit(s) 1b, 1c and 4, unless changed by written agreement, 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.

5.8 - Protection of Endangered Species

5.8.5 - Protection of raptor nests (4/09)

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

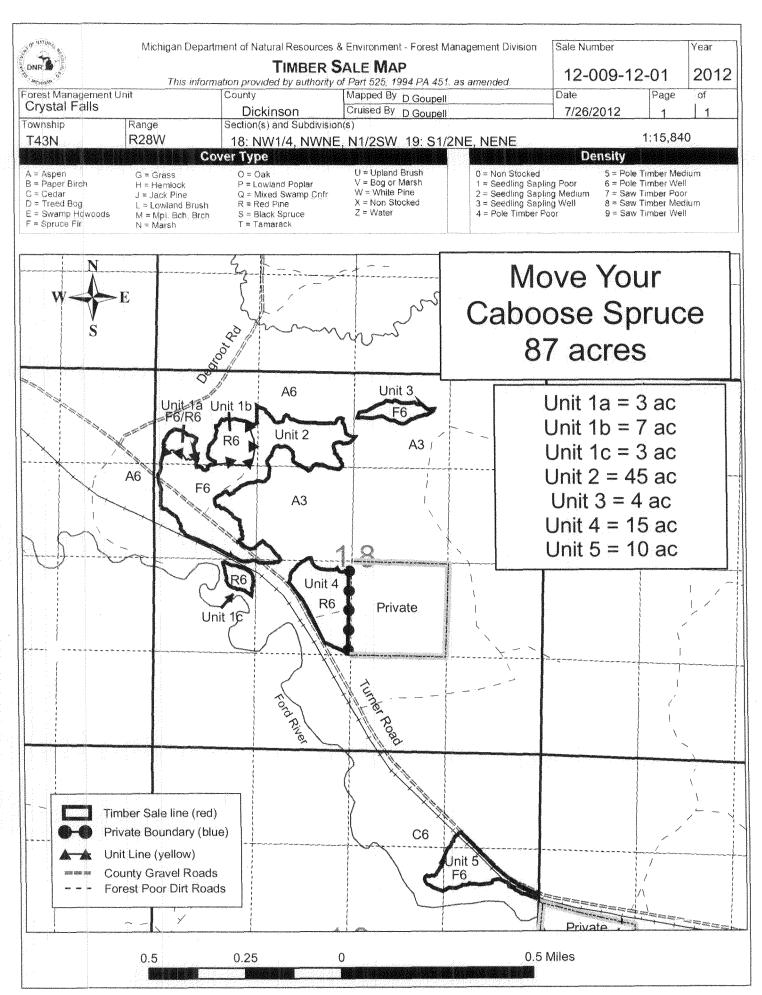
7 - Other Conditions

7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from spruce budworm. The purchaser should harvest the wood as soon as possible. The Department of Natural Resources is held free of responsibility of any further damage or deterioration due to delay in harvesting.

Section Name: Sale Specific Current as of 9/7/2012 10:25:55AM



TIMBER SALE INFORMATION

WINTER SPRUCE SALVAGE (12-012-12-01)

T44N, R28W, SEC. 27; T44N, R28W, SEC. 28; T44N, R28W, SEC. 34.

Dickinson County (Advertised Price \$103,200.00)

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*		ADVERTISED PRICE		
Pulpwood					
Mixed Aspen	230.00 Cords	\$	25.00 / Cord		
W. Spruce	3,730.00 Cords	\$	25.00 / Cord		

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$4,200.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*		ADVERTISED PRICE		
Pulpwood					
Balsam Fir	66.00 Cords	\$	25.00 / Cord		
Mixed Hardwood	102.00 Cords	\$	25.00 / Cord		

^{*} The total volume is statistically estimated within plus (+) or minus (-) 7.92 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 \$6,000.00 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	15%
02	12%
03	17%
04	29%
05	16%
06	11%

- 4. If no cutting takes place, the 10% down payment will not be refunded.
- 5. Operations on the contract issued will terminate on 12/30/2013.

Sale Specific Conditions & Requirements

Sale Name: Winter Spruce Salvage Sale Number: 12-012-12-01

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 red and yellow paint. Exterior sale boundary lines against state are marked with red paint. Interior Payment Unit boundaries are marked with yellow paint. Yellow painted trees designating an interior Payment Unit boundary are only to be cut when all surrounding Payment Units have been paid.

NOTE: There is a sold timber sale surrounding Units 1-4. Wood will only be skid/hauled/decked on existing trails in these units (ie., no new skid trails or roads will be permitted through the adjacent timber sale).

2 - Timber Specifications

2.1 - Included Timber

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

Within Payment Unit(s) 1-6, 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 cedar.

2.2 - Utilization

2.2.2 - Chipping required (1/11)

This sale must be chip harvested to facilitate subsequent planting operations. The purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled. The requirement to retain approximately 1/6 to 1/3 of tree tops and limbs less than four inches in diameter does not apply (G. C. & R. 2.2). This is to reduce slash density for future silvicultural activities.

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 8 inches for all trees. This is in order to facilitate planting operations.

3 - Payments

3.3 - Pre-measured Sales

3.3.4 - Dividing payment units (12/08)

Payment unit(s) 4 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.

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 chipped, utilized or otherwise removed from the sale. 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. 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. 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.

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.

4.3 - Public Right-of-Way

4.3.2 - County R-O-W (12/06)

The county must be contacted prior to decking along the county road R-O-W.

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 5 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 paint line.

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. Chip pile landing locations need to be pre-approved; residual material will be addressed by sale administrator.

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

7.5 - Loss

7.5.1 - Deteriorating timber (7/09)

The sale area has received damage from spruce budworm. The purchaser should harvest the wood as soon as possible. The Department of Natural Resources is held free of responsibility of any further damage or deterioration due to delay in harvesting.

Section Name: Sale Specific Current as of 9/7/2012 10:38:26AM

DNR		TIMBER S	ALE M AP	vironment - Forest Management Division E MAP rt 525, 1994 PA 451, as amended.		Year 2012
Forest Management Unit County M		and the second			Page of	
Crystal Falls		Dickinson		Church, Goupell	08/16/2012	1 1 1
Township Ra	inge R28W	Section(s) and Subdivision 27: W1/2 28: NE1/	^(s) 4, SENW, S1/2SE 34	NWNW		1:15,840
	Cov	er Type		Marka	Density	
B = Paper Birch C = Cedar D = Treed Bog E = Swamp Howoods	S = Grass 1 = Hemlock = Jack Pine . = Lowland Brush M = Mpl. Bch. Brch I = Marsh	O = Oak P = Lowland Poplar Q = Mixed Swamp Cnfr R = Red Pine S = Black Spruce T = Tamarack	U = Upland Brush V = Bog or Marsh W = White Pine X = Non Stocked Z = Water	0 = Non Stocked 1 = Seedling Sap 2 = Seedling Sap 3 = Seedling Sap 4 = Pole Timber	oling Poor 6 = Pole Tin Oling Medium 7 = Saw Tin Oling Well 8 = Saw Tin	nber Poor nber Medium
			Winte	•	ce Salva	age
				138 a	cres	
McGregor C	,Rd		Unit 2	= 15 ac = 21 ac = 28 ac	Unit 4 = 37 Unit 5 = 24 Unit 6 = 13	4 ac
	Unit 1 A3	it 2 G Unit 3	Wolf I	Q6 Unit 5 F6 Private	Aimone	Rd 2.1 miles east
Unit E	er Sale Line (Boundary (Ye ty Rd (gravel It Poor Dirt R	llow))		Annual of the second of the se	3 4	N W E
	0.5	0.25		0.5	Miles	

PRODUCTS & SPECIES

Mixed Hardwood

Mixed Aspen

Phone number :

Pulpwood

BID FORM

CRYSTAL FALLS MANAGEMENT UNIT

CRYSTAL FALLS OFFICE

BID PRICE

<u>SUNRISE SCREE (12-007-12-01)</u> T40N, R30W, SEC. 01; T40N, R30W, SEC. 02, Dickinson County

ADVERTISED PRICE

25.00 / Cord

20.00 / Cord

In response to the notice of sale to be held 3:00 p.m. (local time) on November 7, 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.

ESTIMATED UNITS*

750.00 Cords

278.00 Cords

		•		ıs (-) 14.65 percent. The e e their own estimates of q			nd not subject to a	djustment.
ınderstan	•	on and awarding a		e signed and all bid items sed upon my past perform			•	
	FEDERAL ID:	_ -	or SOCIAL	SECURITY NUMBER:			_]
	Company or indiv	idual bidding:						
	Company representative's name:							
	Address:							
	City:		_ State:	Zip:				
F AVAILA	ABLE, PLEASE PL	ACE THE PERSO	DNALIZED LABEL I	FROM YOUR PROSPEC	TUS IN THE	E ABOVE BOX	<u> </u>	_

Individual or company representative's signature: ______ Date: _____

Email (optional):



sale contract.

Name of Business

Address

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:	

•	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.							
Ple	ase 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. 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

Federal ID (or) Social Security No.

than yourself, including family members and active partners (if none, you must enter "0").

Full-time Employees

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

		()
City	State	ZIP
I hereby certify that the above information is occur in factors affecting my coverage during Signature of Owner or Authorized Representative		I agree to notify the Michigan DNRE of any changes that ent and future operations. Date
riue		Date

Telephone

Part-time Employees

TIMBER SALE / SEALED BID STATE OF MICHIGAN / DNR

BID FORM

MOVE YOUR CABOOSE SPRUCE (12-009-12-01) T43N, R28W, SEC. 18; T43N, R28W, SEC. 19, Dickinson County

In response to the notice of sale to be held 3:00 p.m. (local time) on November 7, 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
Sawlogs			
Red Pine	65.60 MBF	\$ 130.00 / MBF	\$ / MBF
Pulpwood			
Mixed Aspen	419.00 Cords	\$ 30.00 / Cord	\$ / Cord
Red Pine	327.00 Cords	\$ 35.00 / Cord	\$ / Cord
W. Spruce	1,347.00 Cords	\$ 25.00 / Cord	\$ / Cord

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$4,250.00:

PRODUCTS & SPECIES	ESTIMATED UNITS*	AD\	/ERTISED PRICE
Pulpwood			
Mixed Hardwood	66.00 Cords	\$	25.00 / Cord
Mixed Softwood	104.00 Cords	\$	25.00 / Cord

^{*} The total volume is statistically estimated within plus (+) or minus (-) 13.90 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.

	FEDERAL ID:	or SOC	IAL SECURITY NUMBER	:	
	Company or individua	al bidding:			
	Company representative's name:				
	Address:				
	City:	State:	Zip:		
IF AVAIL	ABLE, PLEASE PLAC	E THE PERSONALIZED LAB	EL FROM YOUR PROSPI	ECTUS IN THE ABOVE BOX.	<u> </u>
Individual	l or company represen	tative'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:	

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
- 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 s	gnatures.	
Ple	ease Check Appropriate Categories:		
1.	My business is organized as (you must check <u>one</u> of the A. Sole Proprietorship (individual) B. Partnership C. Corporation	boxes below):	
2.	 You must check one of the boxes below: A. I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws. B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195). C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award. 		
3.	If you have checked item 2(A) or 2(B), you must indicate than yourself, including family members and active partners. Full-time Employees	the number of both full-time and part-time employees, other ers (if none, you must enter "0"). Part-time Employees	
Name of Business		Federal ID (or) Social Security No.	
Address		Telephone ()	
City	State	ZIP	
occ _	ereby certify that the above information is true and correct. cur in factors affecting my coverage during any of my prese	I agree to notify the Michigan DNRE of any changes that ent and future operations.	
T	Title	Date	

BID PRICE

_____ / Cord _____ / Cord

PRODUCTS & SPECIES

Mixed Aspen

Phone number :

W. Spruce

Pulpwood

BID FORM

WINTER SPRUCE SALVAGE (12-012-12-01)

T44N, R28W, SEC. 27; T44N, R28W, SEC. 28; T44N, R28W, SEC. 34, Dickinson County

\$

ADVERTISED PRICE

25.00 / Cord

25.00 / Cord

In response to the notice of sale to be held 3:00 p.m. (local time) on November 7, 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.

In addition, the successful bidder agrees to purchase the following species at the indicated advertised price for a total value of \$4,200.00:

ESTIMATED UNITS*

230.00 Cords

3.730.00 Cords

PRODUCTS & SPECIES Pulpwood	ESTIMATED UNITS*	ADVERTISE	<u>D PRICE</u>
Balsam Fir Mixed Hardwood	66.00 Cords 102.00 Cords	¥	/ Cord / Cord
* The total volume is statistically es Prospective bidders are urged to ex			e estimated units are final and not subject to adjustment. of quantity and quality.
-	awarding a contract will be based	-	ems must be bid or the bid form may be rejected. I also ormance and ability to complete the contract based upon
FEDERAL ID:	or SOCIAL SE	CURITY NUMBER	:
Company or individual b	Company or individual bidding: Company representative's name:		
Company representative			
Address:			
City:	State:	Zip:	
IF AVAILABLE, PLEASE PLACE T	HE PERSONALIZED LABEL FRO	M YOUR PROSP	ECTUS IN THE ABOVE BOX.
Individual or company representative	/e's signature:		Date:

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 Heit	
Forest Management Unit:	

VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE

This verification must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract.
 In addition, if boxes 2B or 2C are checked, then Notice of Exclusion or Certificate of Insurance must be submitted within 21 days of the contract award and prior to the issuance of the timber sale contract.
 All Information must be typed or printed except for written signatures.

Ple	lease 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. \(\subseteq\) I certify that my business is a sole proprietorship and it has no employees but the sole proprietor. I am not subject to the Worker's Compensation Laws.			
	B. I certify that my business has satisfied its obligation to the Worker's Compensation Act through the use of an approved Notice of Exclusion (BWC-337, Rev. 5/96). I will provide a copy of the Notice of Exclusion within 21 days of the contract award. (For questions or a copy of the BWC-337, please call the Worker's Compensation Bureau at 517-322-1195).			
	C. I certify that my business has a Worker's Compensation Policy. I will provide an original Certificate of Insurance within 21 days of the contract award.			
3.	If you have checked item 2(A) or 2(B), you must indicate the number of both full-time and part-time employees, other than yourself, including family members and active partners (if none, you must enter "0").			
	Full-time Employees Part-time Employees			
Nam	me of Business Federal ID (or) Social Security No.			
Add	dress Telephone ()			
City	y State ZIP			
	nereby certify that the above information is true and correct. I agree to notify the Michigan DNRE of any changes that ocur in factors affecting my coverage during any of my present and future operations.			
-	Signature of Owner or Authorized Representative			
-	Title Date			